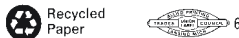




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INSIDE STATE POLITICS



A Fair Share of Revenue Sharing

There is nothing wrong with Revenue Sharing that a quarter of a billion dollars wouldn't fix. Of course, we don't have a quarter of a billion dollars. If we ever do get a quarter of a billion dollars, and put it into our Rainy Day Fund, we will trigger the reinstatement of the Single Business Tax cut. That will cost us \$100 million a year in lost revenue. So then we won't have a quarter of a billion dollars to fix Revenue Sharing.

So I bring *Good News* and *Bad News* to Michigan Townships. The *Good News* is, under the current Statutory Formula, we are not going to cut you anymore.

The *Bad News* is, we aren't cutting you, because we aren't giving you anything. You can't cut zero.

So besides the basic problem of lack of revenue, there is a second problem particularly affecting townships. In essence, it is a problem of distribution.

Revenue Sharing, state sales tax money that is split between state and local government, comes in two buckets. One bucket is guaranteed by the Constitution. It

must be paid and distributed per capita. The other exists in statute, and payments are dependent on the health of the state treasury and the mood of the legislature. Lawmakers also decide how to distribute that money.

Back in 1998, a new formula was created to distribute statutory Revenue Sharing. It was an improvement on the old formula, and it seemed like a good compromise between urban and rural communities, growing and declining areas, and between high and low taxing entities. It was to be phased in, over a decade, at 10% a year. While an improvement, the formula had a few shortcomings. It was so complex, for instance, that it's said that only two people in Lansing understand it. And they don't agree on how it works.

The phase-in started off great. By 2001, Revenue Sharing was fully funded for only the second time in 15 years. Everyone was happy.

But the collapse of the 90s boom has left a very different fiscal landscape. When we make cuts, they're taken from the new

formula first. So now, instead of 60% of statutory money going through the new formula, this year we were at only 8.6%. That means 91.4% was going through the old, inequitable formula.

So the question is, should we trash the formula and start over, or find a way to renew our commitment to progressive implementation? Put another way, what's fair in a time of continual reductions?

Up to now, our answer has centered on the principle of shared sacrifice. If we have to cut, then everybody is going to take a hit. This year, everybody got an across-the-board 3% cut.

But this approach creates its own problem. As the townships were quick to point out, increasingly large numbers of townships are falling completely out of the statutory formula. They get their constitutional money, but no statutory money at all. We all should recognize that as a problem.

There may be a way to reconcile the competing principles of shared sacrifice and equity. The idea of shared sacrifice is a good one, but that doesn't mean

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Mickey's Coffee Hours

Please join me from 7 pm - 9 pm. I look forward to seeing you.

Sterling Heights/Utica: Sterling Heights Library
(40255 Dodge Park near Utica Road)

October 6, 2003 • November 3, 2003

Clinton Township: Clinton/Macomb Library
(35891 Gratiot near 15 Mile)

September 22, 2003 • October 27, 2003 • November 24, 2003



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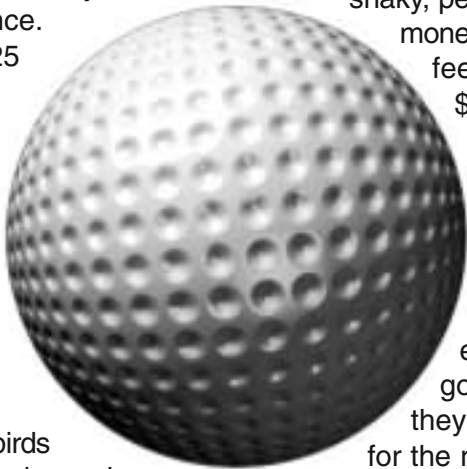
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Sterling Heights:
Channel 5 Comcast
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Wide Open West
Sat. and Sun. at 12:30 pm

The State of Golf in Macomb County

Fore!
Four less, to be exact.

The times they are a-changing for Macomb golfers. Two of Macomb’s mainstay golf courses, comprising 54 holes each, are phasing out after many years of existence. The course at 25 and Romeo Plank, long associated with Michigan’s nickname, and the course at 19 and Garfield, known for the many partridge birds bathing in its creek, are in the process of becoming residential housing. Besides these two venerable public courses, a tiny 9-hole course in Macomb Township at 23 Mile east of Hayes is giving way to the inexorable growth of Macomb’s northern suburbs. Even private courses are not exempt from the shakeout. The hilly private country club near Moravian Road, on Cass and Groesbeck in Clinton Township, went public in August before likely going condo in a year or two. A private club on South River Road in Harrison Township, legendary site of the epic poem Sir Gawain and the



Green Knight, narrowly averted a similar fate last year.

What’s happening?

A bad economy is part of the reason. With unemployment up, overtime down, and jobs shaky, people don’t have the money to golf. Most greens fees have risen to over \$30 per round, and disposable income is down. There’s a lot of competition for today’s entertainment dollar. The popularity of casinos has emptied a lot of golfers’ pockets before they have a chance to go for the real green.

Although the four courses appear headed for closure, there is a new course planned near Coon Creek at 31 Mile and North Avenue. The City of Troy, in neighboring Oakland County, is preparing to establish a second municipal course near 19 and Dequindre. But Oakland golfers have their own problems. The public course near Rochester Road announced its closure in August.

If you step back and look at what is happening, a pattern emerges. There is now only one golf course south of 14 Mile Road in all of Macomb County, and that

is the St. Clair Shores municipal course. This year, the Shorians opened their jewel to nonresidents, who can now become members with playing privileges for an annual \$50 fee. Gone are Roseville’s 9-hole golfing acres, and the tech center on Van Dyke claimed Warren’s only course long ago. All that’s left of the old course at 10 Mile and 94 in Eastpointe is the old bar with a video golf machine.

With the impending closures of the two courses near Moravian Road and the partridge-laden creek, Clinton Township will be left with only one golf course, a hilly fern-covered tract near Clinton River Road east of Garfield. Sterling Heights remains a veritable golf mecca, with five courses. Macomb golfers may be facing a longer and longer commute to find a place to play as their old links get developed.

So why is this happening?

Simple. As the county urbanizes, and residential growth moves northward, land becomes increasingly valuable. Farms give way to subdivisions, and golf courses, which often serve as land banks, are no different. Privately owned courses struggling in a tough economy may choose to cash out simply because their land has become so valuable. They

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Switalski Family Honored “Family of the Year”



March of Dimes, an international organization dedicated to eliminating birth defects will honor the Switalskis as the Macomb County Family of the Year at the annual dinner at Fern Hill on September 24th.

For more information, please contact Trista Johnston at 248-359-1564.



The State of Golf in Macomb County *continued from page 2*

may choose to buy cheaper land further north and reopen, or just get out of the business. Cities that want to retain some fine recreational amenities for their citizens may be faced with an expensive proposition if they want to outbid the developers and buy the course. So, closure is the most likely outcome.

Golfers might not like this, but the courses are private property, and the owner has a perfect right to sell and develop the land.

So what’s a golfer to do?

Governor Granholm has been talking a lot about cool cities and livable communities, and our quality of life and how to enhance

it. She appointed a task force on smart growth to suggest ways to manage development. A small, but important, part of that is finding ways to maintain parks, green space, and golf courses to serve the sporting public. Macomb is urbanizing. You can’t stop development and I am not sure we would want to. The political question is how to influence, shape, and manage growth.

Macomb still has a lot of fine golf courses, but, as this year indicates, we could lose a good number of them. For communities already experiencing the boom, the price of land may already be too high. But to the north,

far-seeing municipalities might be able to purchase marginal or floodplain land to maintain green space and perhaps a golf course for their residents in years to come. They may also wish to negotiate a right of first refusal for courses that exist now. The Huron-Clinton Metropolitan Parks Authority did that when they purchased and began operating the Wolcott Northbrook course as part of the park system several years ago. Creative minds may even suggest other alternatives.

Otherwise, can you imagine a day when you have to drive to St. Clair or Lapeer County to get to the nearest course?

A Fair Share of Revenue Sharing *continued from page 1*

that all cuts have to be at the same rigid percentage amount.

Remember, the formula was changed in 1998 because the legislature agreed the current distribution system was *inequitable*. The imposition of rigid percentage cuts actually has perpetuated that original inequality. A return to a progressive phase-in

of the formula would be fairer.

There is a final problem. One of the great insights of Conservatism is that change must be gradual to preserve stability. Because of the series of cuts and the fact that now only 8% of statutory funds go through the “new” formula, we will be faced with abrupt changes in funding that could cause significant

disruption to local government. We must recalibrate our mechanism for the phase-in.

These issues will require careful attention in the months ahead. I look forward to a partnership with my colleagues and representatives from local government to help solve the Revenue Sharing conundrum.



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